

For Immediate Release:

June 6, 2008

Contact:

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**Mayor Reed Issues Call for 100 New Officers by 2012
and Investments to Grow Economy and Rebuild Neighborhoods**
*Public Safety is Top Priority as June Budget Message
Balances \$29 Million Deficit and Avoids Layoffs*

SAN JOSE – With the City facing its seventh straight year of multi-million dollar deficits, San José Mayor Chuck Reed is calling for the City Council to focus its resources on making neighborhoods safe and building the City’s economy for the future. With public safety his top priority, Mayor Reed pledged to add 100 new police officers by 2012.

“Even in tough budget times, we must make every effort to keep our residents safe. That’s why I’m making the commitment to look long-term and add 100 new officers over the next four years, starting with a down-payment of 25 new officers,” Mayor Reed said. “Despite our budget difficulties, spending on public safety has continually increased over the past decade, and it must continue to increase. As the city grows, so must our police and fire departments.”

“The budgets for the police and fire departments have increased by more than 75% over the last 10 years. Yet, today we have only 1% more police officers than we had 10 years ago,” Mayor Reed noted. “We’ve improved salaries and benefits for police officers and firefighters, so that we compete for the best candidates. Now it’s time to focus our resources on adding more officers.”

Mayor Reed’s June budget message, issued at 5 p.m. on Friday, June 6, will be discussed at public hearing at City Hall on Monday, June 16 and voted on by the City Council on Tuesday, June 17.

“For seven years in a row, we’ve made painful cuts, but the City Council now faces some of the toughest choices ever as we work to close another big gap between expenses and revenues, while protecting public safety (our Number 1 job) and staffing new parks, community centers, and libraries,” Mayor Reed said. “We must get back to the basics. My budget message for the next fiscal year focuses on critical core services -- public safety, economic development, and our crumbling neighborhood infrastructure.”

San José, like many other California cities, is experiencing a structural budget deficit. Even though revenues are increasing, the growth in the cost of providing the same services exceeds the growth in revenue. Over the next three years, the structural budget is projected at \$115 million. A Three-Year Structural Budget Deficit Stakeholder Group is analyzing alternatives for eliminating the structural deficit and will bring recommendations to the Council in the fall. On June 19, the City Council will consider potential taxes or fees that might be placed on the November ballot.

The Mayor's June Budget Message includes the following funding recommendations:

Public Safety and Neighborhoods

The City Council already approved the Mayor's recommendation to add \$1 million in gang prevention/intervention funding and hiring 15 new police officers.

- By adding a total of 25 new police officers (\$1.1 million), making a down-payment towards 100 new officers by 2012.
- Maintaining school crossing guards (\$313,096).
- Reinstating Crime Prevention staff and the Challenges and Choices youth program (\$185,207).
- Adding \$75,000 to fund recruitment efforts for public safety positions.
- Adding \$50,000 to truancy abatement programs.
- Launching a summer program to prevent gang activity during the non-school months (\$200,000).
- Allocating funds to complete Fire Station 37 (\$800,000), which will allow time to re-evaluate the proposed closure of Fire Station 6.
- Pilot a Community Responsibility Council for youth offenders in partnership with Santa Clara County (\$100,000).
- Implement camera-surveillance in hot spots for property crimes and auto theft throughout the City (\$84,000).
- Increase efficiencies in police operations by investing in technology to automate field reporting and manage records (\$3 million).
- Provide critical community health services through the South Bay Children's Medical Center Mobile Health Clinic (\$42,000).
- Upgrade the Kirk Community Center (\$250,000).
- Maintain Sunday hours at the Tully Branch Library during the two years that the Seven Trees Library and Solari Community Center are closed (\$120,000).
- Add Code Inspectors for Weed and Seed neighborhoods (\$137,200) and Downtown nightlife zone (\$86,000).

Economic Development

Mayor Reed's economic development proposals focus on reinvesting in San José, opening the door for business, and reaching out to companies to ensure that they know San José wants them to locate here, stay here and grow here.

San José's budget woes are exacerbated by its lag in sales tax revenue. To the average resident, increasing retail and business revenue seems the logical solution to the City's budget woes. "Economic development takes time and, by itself, won't solve our budget

shortfalls,” Mayor Reed said. “To close this year’s budget gap, the City would need to build either five additional malls like Valley Fair or four additional auto rows.”

Mayor Reed’s June budget message includes strategic long-term investments to increase growth in retail and driving industries. The Mayor’s most important strategic economic development initiative is San José’s Green Vision, which is a roadmap to become the world’s center of innovation in clean green technologies with 25,000 CleanTech jobs.

Economic development initiatives for 2008-2009 include:

- Identifying retail opportunity sites and adding staff to oversee retail and industrial recruitment.
- Making it easier and faster for new businesses to open and existing businesses to expand or upgrade with significant improvements in the permitting timeline.
- Reinstating \$100,000 in funding to the San José Sports Authority to bring sporting events to San José.
- Developing a business retention outreach program with staff meeting with 300 executives in driving industries and business support industry CEOs.
- Overhauling the City’s sign ordinance by the end of 2008 to be more business-friendly.

Environment

San José’s Green Vision sets bold goals for economic development and environmental protection. With energy costs increasing, many of Mayor Reed’s proposals are designed to make one-time investments that will save the City and residents money over the long-term. These initiatives include:

- Energy efficiency projects for City Hall and other City buildings (\$275,000). For example, an investment of \$80,000 to improve the Heating Ventilation and Air Conditioning system at City Hall will generate \$20,000 per year in savings.
- Energy audits and upgrades for low-income residents (\$150,000). Many renters pay their utility bills, but their landlords lack the incentive to make energy upgrades. This pilot program would allow upgrades to efficient appliances, weatherize homes, and more.
- Solar America Matching Grant, will allow the City to accept over \$100,000 in federal funding and technical assistance to help expand solar programs in San José (\$100,000).
- CalFire Urban Forest Tree Planting Matching Grant (\$150,000).
- Staff training to streamline Green Building permitting (\$75,000).
- Testing new green construction and roadway materials (\$50,000).
- Expanding cleanups of homeless encampments in the City’s streams and creeks (\$76,000).

Transportation

In addition to the structural budget deficit, San José has a backlog in the General Fund of \$507 million for repairs and other work to fill potholes, fix our streets, and get buildings, parks, and pools back into good condition. If sewers, storm drains and other infrastructure that is funded by enterprise funds are included, the City has nearly \$1 billion in one-time unmet/deferred infrastructure and maintenance needs.

“Worn down roads, potholes, malfunctioning traffic signals, unkempt landscaping, and burned out streetlights belong to all of us. They impact the quality of our everyday lives and affect the way that we view our neighborhoods,” Mayor Reed said. “A poorly maintained neighborhood impacts crime, property values, and economic development.”

The Mayor is proposing that within three years the City will add \$10 million to street maintenance, a critical factor in saving additional maintenance costs down the road as streets in poor condition costs five times more to fix than preventative efforts do.

Mayor Reed also proposes:

- Adding \$100,000 per year to maintain traffic signs, roadway markings, and streetlights to ensure driver and pedestrian safety.
- Investing \$15 million in upgraded traffic signals, improving commutes and safety (a project with outside grant funding from the California Transportation Commission).
- Adding \$200,000 for traffic calming.
- Purchasing 10 new radar display trailers to improve neighborhood traffic safety (\$120,000).
- Cleaning up the Highway 87 gateways into Downtown (\$25,000).

In keeping with his commitment to transparency and open government, Mayor Reed’s June Budget Message is released 10 days prior to the public hearing on the budget, allowing residents time to review the proposals prior to the Council vote.

“This Budget Message proposes a balanced budget for next year, makes progress toward solving our long term budget problems, and reflects the priorities voiced by our residents through our community budget process,” said Mayor Reed.

“We don’t have enough revenues to do everything we want to do. Other cities have solved their budget problems with layoffs and salary cuts. We won’t have to if we grow our revenues faster by having a vibrant economy and adding more jobs, slow the growth of our expenses, and reduce costs by changing the way the City provides services. We can use technology to increase efficiencies, pursue public-private partnerships, and focus on core services.”

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